

**Frequently Asked Questions (FAQs)
Effects of Hurricanes Katrina and Rita on the
Quarterly Financial Report (QFR)
for U.S. Manufacturing, Mining and Wholesale Trade Corporations
Third Quarter 2005**

Can the Census Bureau estimate the effect of Hurricanes Katrina and Rita on the estimates provided in the Quarterly Financial Report?

No. We cannot isolate the effect of Hurricanes Katrina and Rita on the QFR estimates since the sample is designed to measure balance sheet and income statement items at the national level and not at specific geographic areas.

Even though we cannot quantify the effect of the hurricanes, we did receive indications from some corporations that the hurricanes did have an effect on their activity, especially in the petroleum industry. We will continue to closely monitor these industries.

Can the QFR produce estimates for the affected areas?

No. We cannot separately quantify the impact on the affected areas because the QFR is designed to estimate data for the national level only.

Was the Census Bureau able to collect information from firms operating within the affected areas?

We did not mail questionnaires to 79 corporations within our sample that had mailing addresses within the affected ZIP Codes, as per United States Postal Service and Department of Commerce policies. However, 15 of these 79 corporations provided data for the third quarter 2005. For the entire survey, our response rate was 70.4 percent this quarter, compared to an average response rate of 74.6 percent over the past four quarters.

Did the Census Bureau modify its non-response or estimation procedure?

No.

Did the Census Bureau change its analytical procedures for Third Quarter 2005?

Yes. In addition to the usual analysis done every quarter, we reviewed independent data sources and discussed the effects of the hurricanes with corporations in the survey.

Did the Census Bureau alter the seasonal adjustment options for the quarter?

No. The review of the seasonal adjustment output and diagnostics did not indicate that adjustments to the options were necessary for this quarter.

Has the reliability of the QFR estimates changed because of the hurricanes?

No. The reliability has not changed substantially. Most corporations were able to report for the third quarter. A few individual corporations reported large increases or decreases in their data because of the effects of the hurricanes, but this additional variation is not large enough to affect the reliability of the national estimates.

What activities is the Census Bureau planning to ensure the affected areas will continue to be accurately represented?

During our data collection for next quarter, we will continue to ask questions of respondents that will help us monitor any impact from the hurricanes as part of our regular follow-up. We will monitor data responses and make adjustments if necessary.